

Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 EB-08 STR-04 TRSE-00
XMB-02 FEA-01 AGRE-00 CEA-01 CIAE-00 DODE-00 FRB-03
H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
AID-05 SS-15 ITC-01 USIA-06 PRS-01 SP-02 OMB-01 /109 R

DRAFTED BY RFRANCIS/COMMERCE/BIEPR -MFD
APPROVED BY STR/WBKELLY,JR.
RMEYER/STATE
COUELLETTE/TREASURY
SBWILSON/STR
DCHENEY/EXIM BANK(SUBS)

-----100450Z 097876 /11

P R 092332Z MAR 77
FM SECSTATE WASHDC
TO USMISSION GENEVA PRIORITY
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
USMISSION EC BRUSSELS
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY PARIS
USMISSION OECD PARIS
AMEMBASSY ROME
AMEMBASSY TOKYO
USDEL MTN GENEVA

LIMITED OFFICIAL USE STATE 052741

E.O. 11652: N/A

TAGS: GATT, ETRD

SUBJECT: WORKING PARTY ON EXPORT INFLATION INSURANCE

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PAGE 02 STATE 052741

REF: A. U.S. POSITION PAPER - TPSC 76-56; B. GENEVA 1187,
C. GENEVA 8880 D. STATE 45429.

1. FOLLOWING ARE INSTRUCTIONS FOR U.S. DEL TO SUBJECT WP
AND DETAILED QUESTIONS/COMMENTS ON L4467/ADD 1 AND 2. US
DEL SHOULD CONTINUE TO DRAW, AS APPROPRIATE, ON REF A,
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TO TACTICAL GOALS OF FOCUSING WP ATTENTION ON EXPORT IN-

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A. EXPRESS DISAPPOINTMENT WITH SKETCHINESS OF INFORMATION PROVIDED BY SOME OF THE COUNTRIES, PARTICULARLY THOSE THAT HAVE HAD A SCHEME IN OPERATION FOR SOME TIME.

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IN ADDITION, U.S. DELEGATE MAY, AS APPROPRIATE, DRAW ON THE FOLLOWING QUESTIONS AND EXAMPLES.

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A. DOES NOT EXPERIENCE WITH THE SCHEMES SHOW THAT CLAIMS PAID ON INDIVIDUAL TRANSACTIONS GENERALLY EXCEED THE AMOUNT OF THE PREMIUM PAID BY THE EXPORTER?

B. DO INSURANCE OR GUARANTEE SCHEMES AGAINST COST INCREASES NOT ENABLE EXPORTERS TO BID AT LOWER PRICES THAN THEY WOULD OTHERWISE HAVE BEEN ABLE TO BID?

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C. SINCE THE INSURANCE OR GUARANTEES ARE NOT
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DOMESTIC PRICES?

D. HOW IS THE AMOUNT OF PREMIUM ESTABLISHED? DOES
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ARE THEY KEPT AS A SEPARATE FUND BY THE ORGANIZATION AD-
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AND OF DISBURSEMENT OF CLAIMS? ARE SUCH DATA PUBLISHED
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A. FOR EACH OF THE LAST THREE YEARS WHAT HAVE BEEN
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C. WE UNDERSTAND THAT THE FRENCH SCHEME INSURES ONLY
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A. FOR THE EIGHTEEN OPERATIVE MONTHS OF THE PROGRAM WHAT WERE THE AMOUNTS OF PREMIUMS COLLECTED AND CLAIMS PAID?

B. HOW MANY CLAIMS WERE PAID?

C. DOES ITALY PLAN TO REPEAL LAW NO. 31 OF FEBRUARY 28, 1967 OR ITS PROVISIONS ESTABLISHING THE INSURANCE SCHEME?

PORTUGAL --

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A. IS THE PROGRAM IN OPERATION? IF SO, WHEN DID IT BEGIN?

B. WHAT IS THE AMOUNT OF PREMIUM AND, IF THE PROGRAM IS IN OPERATION, THE TOTAL AMOUNT OF PREMIUMS COLLECTED TO DATE?

C. HOW MANY CONTRACTS HAVE BEEN COVERED AND WHAT IS THEIR TOTAL VALUE?

THE UNITED KINGDOM --

A. FOR EACH YEAR OF THE PROGRAM WHAT HAVE BEEN THE AMOUNTS OF PREMIUMS COLLECTED?

B. WHAT IS THE USUAL OR TYPICAL PROPORTION OF VARIABLE COSTS INSURED IN RELATION TO THE COST OF PRODUCTION?

C. IN THE INTERVAL BETWEEN THE LAST MEETING OF THE WP AND THIS MEETING THE UKG HAS DECIDED TO EXTEND ITS INFLATION INSURANCE SCHEME. WHY DID THE UKG FEEL IT

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DOES THE PROGRAM APPLY TO EXPORTS TO ALL COUNTRIES, INCLUDING THE UNITED STATES AND EC MEMBER STATES, OR ARE THERE EXCEPTIONS? IF THERE ARE EXCEPTIONS, WHAT IS THE JUSTIFICATION?

10. EXAMPLES --

THE U.S. DELEGATE SHOULD ASK AT AN APPROPRIATE TIME THE FRENCH, U.K. AND FINNISH DELEGATES TO VERIFY OR CORRECT THE U.S. INTERPRETATION OF THE WORKING OF THEIR COUNTRIES' PROGRAMS BASED ON THE FOLLOWING HYPOTHETICAL EXAMPLES:

FINLAND --

MANUFACTURING PERIOD JANUARY 1973 - JANUARY 1975
CONTRACT PRICE FMK 80 MILLION
INSURED PORTION OF THE CONTRACT FMK 40 MILLION

PREMIUM: 22 MONTHS AT 0.02 PERCENT EQUALS 9.44 PERCENT

2 MONTHS AT 0.04 PERCENT EQUALS 0.08 PERCENT

TOTAL 0.52
PERCENT

PRODUCTION PRICE INDEX FOR SITC 7:

JANUARY 1973 - 324
JANUARY 1975 - 500

INCREASE - 54.32 PERCENT

LESS ANNUAL DEDUCTIBLE AT 8 PERCENT 16.64 PERCENT
LESS PREMIUM 0.52 PERCENT OF CONTRACT PRICE 1.04 PERCENT

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COMPENSATION 36.64 PERCENT
PERCENT
OR

FMK 14.7 MILLION

FRANCE --

MANUFACTURING PERIOD JANUARY 1973 - JANUARY 1975
INSURED PORTION OF COSTS FF 50 MILLION
PREMIUM 2 YEARS AT 1 PERCENT EQUALS 2 PERCENT
WHOLESALE PRICE INDEX FOR MANUFACTURED GOODS

JANUARY 1973 - 132.1
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INCREASE 36.94 PERCENT

LESS ANNUAL DEDUCTIBLE AT 6.5 PERCENT 13.42 PERCENT

LESS PREMIUM 2.00 PERCENT

COMPENSATION 21.52 PERCENT

OR

FF 10.76 MILLION

THE UNITED KINGDOM

MANUFACTURING PERIOD SEPT. 1974 - SEPT. 1976
INSURED PORTION OF THE CONTRACT L 5 MILLION
PREMIUM 2 YEARS AT 1 PERCENT EQUALS 2 PERCENT
WHOLESALE PRICE FOR MANUFACTURED GOODS:

SEPTEMBER 1974 - 181.7
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SEPTEMBER 1975 - 260.6

INCREASE 42.64 PERCENT

LESS ANNUAL DEDUCTIBLE AT 15 PERCENT 32.25 PERCENT

LESS PREMIUM 2.00 PERCENT

COMPENSATION 8.39 PERCENT

OR

L 419,500

VANCE

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INFO OCT-01 ISO-00 /005 R

66011

DRAFTED BY: EB/OT/TA:RAMEYER

APPROVED BY: EB/OT/TA:DJDUNFORD

-----231108Z 052400 /21

R 223326Z MAR 77

FM SECSTATE WASHDC

INFO RUEHOT/AMEMBASSY OTTAWA 0000

AMEMBASSY STOCKHOLM

AMEMBASSY HELSINKI

AMEMBASSY LISBON

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FOLLOWING REPEAT STATE 052741 SENT ACTION GENEVA INFO BONN
BRUSSELS EC BRUSSELS LONDON MADRID PARIS OECD PARIS ROME TOKYO
MTN GENEVA 09 MAR 77

QUOTE LIMITED OFFICIAL USE STATE 052741

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JANUARY 1975 - 180.9

INCREASE 36.94 PERCENT

LESS ANNUAL DEDUCTIBLE AT 6.5 PERCENT 13.42 PERCENT

LESS PREMIUM 2.00 PERCENT

COMPENSATION 21.52 PERCENT

OR

FF 10.76 MILLION

THE UNITED KINGDOM

MANUFACTURING PERIOD SEPT. 1974 - SEPT. 1976
INSURED PORTION OF THE CONTRACT L 5 MILLION
PREMIUM 2 YEARS AT 1 PERCENT EQUALS 2 PERCENT
WHOLESALE PRICE FOR MANUFACTURED GOODS:

SEPTEMBER 1974 - 181.7

SEPTEMBER 1975 - 260.6

INCREASE 42.64 PERCENT

LESS ANNUAL DEDUCTIBLE AT 15 PERCENT 32.25 PERCENT

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LESSPREMIUM 2.00 PERCENT

COMPENSATION 8.39 PERCENT

OR

L 419,500

VANCE UNQTE VANCE

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 22-Sep-1999 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSTRUCTIONS, POLICIES, EXPORTS, INFLATION, INSURANCE, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE052741
Document Source: ADS
Document Unique ID: 00
Drafter: RFRANCIS/COMMERCE/BIEPR -MFD
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D770081-1135
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197703111/baaaevkg.tel
Line Count: 771
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 0ea301b0-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 15
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. U.S. POSITION PAPER - TPSC 76-56; B. GENEVA 1187, C. GENEVA 8880 D. STATE 45429.
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2964616
Secure: OPEN
Status: NATIVE
Subject: WORKING PARTY ON EXPORT INFLATION INSURANCE
TAGS: ETRD, US, GATT
To: GENEVA INFO BONN MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0ea301b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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EO Systematic Review
22 May 2009
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